

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

**SUBJECT: KEMP HOUSE, 90-104 BERWICK STREET, W1F 0QT SECTION 106
SECOND DEED OF VARIATION**

Notice is hereby given that , Cabinet Member for Finance and Smart City, has made the following executive decision on the above mentioned subject for the reasons set out below.

(
Approval sought.
)

Summary of Decision

- 1) That the Cabinet Member for Finance and Smart City approved the terms of the Deed of Variation to the S106 Agreement and authorised that the City Council, as freehold owner of the site, enter into this agreement.
- 2) That the Cabinet Member for Finance and Smart City delegated authority to the Head of Strategic Asset Management to authorise entry into any future deeds of variation in relation to this site and overarching S.106 Agreement, which did not propose to materially alter the substantive obligations or vary the Council's liability (as freehold landowner of the site).

Reasons for Decision

- 1) CityWest Homes (an arms length management arm of the City Council which no longer exists and as of 31 March 2019 all management functions had been returned to the City Council), negotiated on behalf of the City Council to purchase four units of affordable housing accommodation at the proposed redevelopment of the podium adjacent to Kemp House, a Council-owned residential block in Soho (see Cabinet Member Report "Purchase of four new affordable housing units adjoining Kemp House, Berwick Street").
- 2) Berwick Street Securities/PMB Holdings were the Developer, having leased the site from the City Council in June 2015 for a term of 125 years (see Cabinet Member Report "Berwick Street: Grant of New Head Lease"). The Developer received planning permission (13/12007/FULL) and entered into a S106 Agreement on 20 February 2015. The proposals include new retail units on ground floor with 16 residential units above (including 4 affordable) and a hotel. The development proposals retain the existing Kemp House.
- 3) Under the terms of the section 106 agreement, two of the units were to be let on affordable rents capped at £183 per week, whilst the other two units would be let as intermediate rent, one capped at £189 per week, whilst the fourth would be capped at £264 per week. All units were approximately 81m² in area and comprise 3 bedroom 4 person accommodation.
- 4) A deed of variation had been negotiated which amended the tenure of the units to enable them to be provided as social rented units, which was the City

Council's preferred form of affordable housing, and could be managed pursuant to the City Council's existing allocations policy.

- 5) The report also recommended that future deeds of variation, which do not propose to materially alter the terms of the overarching S.106 agreement, were dealt with at officer level. This was proposed so Cabinet Member approval was not required for straightforward administrative decisions which had no differing implications from the original decision, with a view to efficient decision making and the appropriate use of resources.
- 6) The S.106 Agreement was being entered into by the City Council both as landowner and as the Local Planning Authority. The Local Planning Authority's authority to enter into the agreement derived from a delegated report pursuant to the scheme of delegation resolving to approve the application to vary the S.106 Agreement. The City Council as landowner required a separate Cabinet Member decision to enter into the agreement in that capacity.

Reasons for Decision

**Stuart Love, Chief Executive,
Westminster City Hall,
64 Victoria Street
LONDON SW1E 6QP**

Publication Date: 31 March 2021

Implementation Date:

Reference: